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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-third Meeting
Montreal, 27– 31 May 2019

PROJECT PROPOSAL: GUYANA

This document consists of the comments and recommendation of the Secretariat on the following project proposal:

Phase-out

- HCFC phase-out management plan (stage II, second tranche) UNEP and UNDP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Guyana

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC Phase Out Plan (Stage II)	UNDP, UNEP (lead)	75 th	n/a

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2017	1.33 (ODP tonnes)

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)										Year: 2018
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption	
				Manufacturing	Servicing					
HCFC-22					1.08					1.08

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:		1.80	Starting point for sustained aggregate reductions:
			1.80
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:		1.80	Remaining:
			0

(V) BUSINESS PLAN		2019	2020	2021	Total
UNDP	ODS phase-out (ODP tonnes)	0.16	0.0	0.30	0.46
	Funding (US \$)	71,423	0.0	133,750	205,173
UNEP	ODS phase-out (ODP tonnes)	0.16	0.0	0.11	0.27
	Funding (US \$)	74,015	0.0	51,415	125,430

(VI) PROJECT DATA			2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027-2029	2030	Total
Montreal Protocol consumption limits			1.62	1.62	1.62	1.62	1.62	1.17	1.17	1.17	1.17	1.17	0.59	0.59	0.59	0.05	n/a
Maximum allowable consumption (ODP tonnes)			1.62	1.52	1.42	1.32	1.22	1.12	0.91	0.69	0.48	0.26	0.05	0.05	0.05	0	n/a
Agreed funding (US\$)	UNEP (lead)	Project costs	55,500	0	0	65,500	0	0	45,500	0	45,500	0	0	30,500	0	0	242,500
		Support costs	7,215	0	0	8,515	0	0	5,915	0	5,915	0	0	3,965	0	0	31,525
	UNDP	Project costs	159,750	0	0	66,750	0	0	125,00	0	35,000	0	0	55,000	0	0	441,500
		Support costs	11,183	0	0	4,673	0	0	8,750	0	2,450	0	0	3,850	0	0	30,905
Funds approved by ExCom (US\$)	Project costs	215,250	0	0	0	0	0	0	0	0	0	0	0	0	0	0	215,250
	Support costs	18,398	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18,398
Total funds requested for approval at this meeting (US\$)	Project costs	0	0	0	0	132,250*	0	0	0	0	0	0	0	0	0	0	132,250
	Support costs	0	0	0	0	13,188*	0	0	0	0	0	0	0	0	0	0	13,188

*The second tranche was due for submission in 2018

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Guyana, UNEP as the lead implementing agency, has submitted a request for funding for the second tranche of stage II of the HCFC phase-out management plan (HPMP), at a total cost of US \$132,250, consisting of US \$65,500, plus agency support costs of US \$8,515 for UNEP, and US \$66,750, plus agency support costs of US \$4,673 for UNDP¹. The submission includes a progress report on the implementation of the first tranche, the verification report on HCFC consumption for 2013 to 2018, and the tranche implementation plan for 2019 to 2021.

Report on HCFC consumption

2. The Government of Guyana reported a consumption of 1.08 ODP tonnes of HCFC in 2018, which is 40 per cent below the HCFC baseline for compliance. The 2014-2018 HCFC consumption is shown in Table 1.

Table 1. HCFC consumption in Guyana (2014-2018 Article 7 data)

HCFC-22	2014	2015	2016	2017	2018*	Baseline
Metric tonnes	14.5	20.30	28.67	22.85	19.64	31.02
ODP tonnes	0.80	1.34	1.58	1.33	1.08	1.80

* Country programme data submitted on 4 April 2019.

3. HCFC-22 is used in the servicing and maintenance of refrigeration and air-conditioning (RAC) equipment. The reduction of HCFC consumption since 2012 is due to the implementation of stage I of the HPMP, including a ban on imports of HCFC-based equipment since 2010, quota controls on HCFC imports, the training of refrigeration technicians on good servicing practices, and awareness raising activities.

Country programme (CP) implementation report

4. The Government of Guyana reported HCFC sector consumption data under the 2017 CP implementation report which is consistent with the data reported under Article 7 of the Montreal Protocol. The 2018 CP data is 18 per cent below the country's reduction targets. The Government has not yet submitted its 2018 consumption data under Article 7 of the Montreal Protocol.

Verification report

5. The verification report covered the period between 2013 and 2018. It confirmed that the Government of Guyana was effectively implementing its licensing and quota system for HCFC imports and exports, and that the total consumption of HCFC between 2013 and 2017 was consistent with consumption reported under Article 7 of the Protocol except a slight difference in 2016 and 2017. The discrepancy has since been corrected. Overall, Guyana complied with its ODS reduction targets under stage I for the years 2013 and 2014 (consumption less or equal to 1.80 ODP tonnes). HCFC-22 consumption between 2015 and 2018 was also lower than the maximum allowable consumption.

6. The verification highlighted issues related to discrepancies with the ODS consumption data for the years 2016 and 2017; and the licensing and quota system, and in particular procedures for annual quota calculations and allocations.

¹ As per the letter of 14 March 2019 from the Ministry of Agriculture to the Secretariat.

Progress report on the implementation of the first tranche of stage II of the HPMP

Legal framework

7. The National Ozone Action Unit (NOAU) is responsible for setting HCFC quotas, which are enforced by the Guyana Revenue Authority (customs department). The National Bureau of Standards (GNBS) is mandated to ensure that all imported ODS are labeled. The Government has also banned the import of ODS-based equipment since 2010.

Refrigeration servicing sector

8. The main activities carried out include:

- (a) Strengthening legislation and regulations: 78 people participated in three public consultations on the drafting of a national standard on safe handling of refrigerants that were organized by the GNBS in collaboration with the NOAU. The draft standard on safe handling of refrigerants proposes to, among others: license technicians; control the sale of refrigerants to technicians; and enforce mandatory ODS recovery, recycling and reporting;
- (b) Training and capacity-building: 260 customs brokers were trained through the ongoing Revenue Authority's customs training programme; 132 customs officers were trained on the Montreal Protocol through an introductory training programme; and 17 customs trainers and enforcement officers were trained on ODS legislation and phase-out, identification of HCFCs and related equipment, and use of refrigeration identifiers;
- (c) Training of refrigeration technicians: 127 technicians and trainers were trained through several workshops on good servicing practices and alternative to low-GWP refrigerant technologies. Different workshops trained 35 technicians on safe handling of ammonia and hydrocarbon-based refrigeration systems, and 92 technicians on safe handling of refrigerants. Seven instructors participated in a technical exchange visit, and 26 technicians and instructors were targeted for training and certification under the Caribbean Vocational Qualification refrigeration and air conditioning programme;
- (d) Purchasing and distribution of equipment: four advanced refrigerant identifiers were procured for use in monitoring ODS imports and training customs officers and technicians; and equipment was purchased and supplied to five training institutions – the University of Guyana, the Government Technical Institute, the Sophia Training Center, the Kuru Kuru Training Center, the GUYSUCO Training Center – and the establishment of training laboratories; and
- (e) Raising awareness: a documentary on Guyana's efforts to phase out HCFCs was produced and it was aired on the 2017 International Ozone Day.

Project implementation and monitoring unit (PMU)

9. Guyana does not have a separate PMU for the implementation of the HPMP. The NOU, which is under the Ministry of Agriculture, and Hydrometeorological Service, coordinates the implementation of the HPMP.

Level of fund disbursement

10. As of March 2019, of the US \$215,250 approved so far (US \$55,000 for UNEP and US \$159,750 for UNDP), US \$158,282 (74 per cent) had been disbursed (US \$49,621 for UNEP and US \$108,661 for UNDP). The balance of US \$56,968 will be disbursed in 2019.

Implementation plan for the second tranche of stage II of the HPMP

11. The following activities will be implemented between March 2019 and December 2021:

- (a) Train 150 customs officers and brokers in harmonized system (HS) code classification and reporting HCFC consumption, and data collection; (UNEP) (US \$44,000);
- (b) Train five trainers on good practices and alternative technologies; organize two workshops for 120 technicians on good practices and alternative technologies; support the certification of 15 technicians in the informal servicing sector; and supporting the Guyana Air-conditioning, Refrigeration and Ventilation Association (GARVA) (UNEP) (US \$7,000 and funds from the previous tranche);
- (c) Procure recovery and recycling equipment (eight recovery machines with cylinders, cooling pumps, refrigerant identifiers, vacuum pumps and sets of 2-way gauges; and weight scales) for about 20 technicians and three technical training schools and servicing agencies (UNDP) (US \$66,750 and funds from the previous tranche);
- (d) Raise awareness among stakeholders and importers, and disseminating information on HCFCs phase-out activities, including on the application of the licensing and quota system, and introduction of non-ODS and low-GWP technologies (UNEP) (US \$5,000); and
- (e) Provide support to the NOAU in coordinating and monitoring the implementation of the HPMP (UNEP) (US \$9,500 and funds from the previous tranche).

SECRETARIAT'S COMMENTS AND RECOMMENDATION**COMMENTS**Verification report

12. As explained by UNEP, the discrepancies with Article 7 data for the years 2016 and 2017 were a result of reporting the import of 0.0785 ODP tonnes of HCFC-22 that were expected in 2016 but received in 2017, and was caused by a custom-made statistical software (TRIPS) that is used to verify ODS imports but does not provide detailed ODS consumption data. UNEP indicated that the TRIPS would become obsolete by the end of 2019, and would be replaced with the Automated System for Customs Data (ASYCUDA)². UNEP also indicated that its support to the NOU in implementing the second tranche, would include strengthening the handling of ODS consumption data and HCFC quota allocation process; reviewing and updating the TRIPS system's ODS consumption data; cooperating with customs officers in correct ODS classification, control, monitoring and reporting through ASYCUDA that uses the latest technology and HS tariff codes; and educating stakeholders on the licensing and quota system.

² ASYCUDA is a computerized system designed by the United Nations Conference on Trade and Development (UNCTAD) to administer a country's customs.

Progress report on the implementation of the first tranche of stage II of the HPMP

Legal framework

13. The Government of Guyana has issued an HCFC-22 import quota of 1.16 ODP tonnes for 2019, which is below the Montreal Protocol control targets and the maximum allowable consumption. Through its Green State Development Strategy, the Government developed two key policy instruments – the draft National Energy Policy and the Public Efficiency Procurement Policy – to encourage the use of energy-efficient, climate-friendly and ozone-friendly technologies.

Refrigeration servicing sector

14. In response to the Secretariat's request for Government action promoting low-GWP alternative technologies, UNEP explained that through its Trade (Restriction on import of ozone depleting substances) Order 2007 and Trade (Restriction on import of ozone depleting substances) Order (Amendment) 2010, the Government has banned the import of HCFC-based equipment, and promoted the import of low-GWP alternative technologies.

15. UNEP explained that about 85 per cent of imports of domestic refrigeration systems in 2015 contained HFC-134a and by about 2018, such imports had decreased to about 60 per cent. Conversely, isobutane (R600a) refrigeration systems accounted for about 14 per cent of refrigeration imports in 2015, and by 2018, such imports had increased to about 40 per cent. However, transition to low-GWP alternative technologies in the air-conditioning sector has been less visible, with R-410A systems currently the most prolific ODS alternative technology imported in this sector. UNEP indicated that workshops and other educational events organized through the HPMP are used to raise awareness among technicians on these new technologies.

Conclusion

16. Guyana is making progress in implementing stage II of its HPMP, building on the success of stage I, and the country is in compliance with the Montreal Protocol and its Agreement with the Executive Committee. The country's verification report confirmed that the licensing and quota system is operational, but highlighted some challenges such as: process of calculating and allocating annual import quotas; and shortcomings of the TRIPS statistical software in providing detailed ODS consumption data; and minor discrepancies with Article 7 data. UNEP confirmed that its Compliance Assistance Programme (CAP) would provide support to the NOU and the Customs department to address the issues. The progress report on activities undertaken, the planned activities taken into account the recommendations of the verification report will ensure that the country achieves its HCFC phase-out objectives.

RECOMMENDATION

17. The Fund Secretariat recommends that the Executive Committee takes note of the progress report on the implementation of the first tranche of stage II of the HCFC phase-out management plan (HPMP) for Guyana, and further recommends blanket approval of the second tranche of stage II of the HPMP for Guyana, and the corresponding 2019-2021 tranche implementation plan, at the funding level shown in the table below, on the understanding that UNEP will include an update on progress towards implementing the recommendations in the verification report submitted to the 83rd meeting, including the process of calculating and allocating annual import quotas; and addressing the shortcomings of the TRIPS statistical software in providing detailed ODS consumption data when submitting the request for the third tranche of the HPMP:

	Project title	Project funding (US \$)	Support cost (US \$)	Implementing agency
(a)	HCFC phase-out management plan (stage II, second tranche)	65,500	8,515	UNEP
(b)	HCFC phase-out management plan (stage II, second tranche)	66,750	4,673	UNDP
